

AMENDED IN SENATE JULY 3, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 442**

**Introduced by Assembly Member Richman**

February 14, 2003

---

An act to amend Section 42122 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 442, as amended, Richman. School finance: budget disclosures.

Existing law requires the governing board of a school district to approve an annual statement of all receipts and expenditures of the district for the preceding fiscal year and to file the statement with the county superintendent of schools. Existing law requires the board to hold a public hearing on the district's proposed budget and requires the budget to show a complete plan and itemized statement of all proposed expenditures. Existing law requires the governing board of a school district to issue a school accountability report card annually. Existing law requires the school accountability report card to include, among other things, the estimated expenditures per pupil and types of services funding, the quality and currency of textbooks and other instructional materials, the total number of the school's fully credentialed teachers, and the number of teachers relying on emergency credentials.

This bill would impose a state-mandated local program by requiring the governing board *of a school district with a pupil enrollment of 50,000 or more* to provide to the public a summary of the plan and itemized statement of all proposed expenditures of the school district

and to distribute that summary at public hearings where the budget will be discussed. The summary would be required to provide specified information on the prior and proposed fiscal years regarding, among other things, staffing expenditures, expenditures for facility maintenance, new construction and modernization, average operating expenses per pupil and class, and actual expenditures for books, supplies, and instructional materials.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 42122 of the Education Code is  
2 amended to read:  
3 42122. (a) Each budget shall show a complete plan and  
4 itemized statement of all proposed expenditures of the school  
5 district and of all estimated revenues for the ensuing fiscal year,  
6 together with a comparison of revenues and expenditures for the  
7 existing fiscal year. The budget shall also include the  
8 appropriations limit and the total annual appropriations subject to  
9 limitation as determined pursuant to Division 9 (commencing with  
10 Section 7900) of Title 1 of the Government Code. The county  
11 superintendent of schools shall from his or her own records supply  
12 to the school district any information that the school district may  
13 need to make the comparisons required by this section.  
14 (b) Commencing with the budget for the 2005–06 fiscal year,  
15 each budget *of a school district with a pupil enrollment of 50,000*  
16 *or more* shall also include a summary of the complete plan and  
17 itemized statement required pursuant to subdivision (a). The

1 school district shall make the summary available to the public and,  
2 at a minimum, distribute it at public hearings. The summary shall  
3 include, but not be limited to, the following information:

4 (1) Itemized detail of the actual expenditures for the immediate  
5 prior fiscal year and proposed current year expenditures on  
6 salaries, benefits, incentive bonuses, expenses, or other forms of  
7 remuneration paid to certificated staff, including administrators,  
8 pupil services personnel, and teachers, and classified staff,  
9 including paraprofessionals, office workers, clerical employees,  
10 and others.

11 (2) The actual expenditures in the immediate prior fiscal year,  
12 proposed current year expenditures, and the percentage of any  
13 increase or decrease budgeted for the current fiscal year,  
14 segregated by type of credential, for salaries and benefits paid to  
15 employees assigned to classrooms within the school district.

16 (3) The number and percentage of classroom teachers who are  
17 fully credentialed and employed by the district for the immediate  
18 prior and the current fiscal years.

19 (4) The average total expenditure for a credentialed teacher and  
20 a noncredentialed teacher, based on salaries and benefit packages,  
21 and the average amount spent for compensation of the 10 percent  
22 of the credentialed teachers who earn the most and the 10 percent  
23 who earn the least.

24 (5) The number and percentage of classroom teachers  
25 employed by the district for the immediate prior and current fiscal  
26 years who are serving without full credentials, including holders  
27 of emergency credentials, university interns, district interns, and  
28 preinterns.

29 (6) The total expenditures for facility maintenance, new  
30 construction and modernization for the immediate prior and  
31 current fiscal years, including the number of completed new  
32 facility projects.

33 (7) The average class size by grade levels.

34 (8) The average noncapital operating expenses per pupil and  
35 class for the immediate prior fiscal year and proposed current year  
36 average noncapital expenditures per pupil.

37 (9) The actual expenditures in the immediate prior fiscal year  
38 and proposed current year expenditures for books and supplies,  
39 including the total cost of textbooks per pupil, and the total cost of  
40 textbooks per class.

1 (10) The actual expenditures in the immediate prior fiscal year  
2 and proposed current year expenditures for instructional materials,  
3 excluding textbooks, per pupil and the total cost of instructional  
4 materials per class.

5 (11) Total district revenue and expenditures and average  
6 district revenue and expenditures per pupil.

7 SEC. 2. Notwithstanding Section 17610 of the Government  
8 Code, if the Commission on State Mandates determines that this  
9 act contains costs mandated by the state, reimbursement to local  
10 agencies and school districts for those costs shall be made pursuant  
11 to Part 7 (commencing with Section 17500) of Division 4 of Title  
12 2 of the Government Code. If the statewide cost of the claim for  
13 reimbursement does not exceed one million dollars (\$1,000,000),  
14 reimbursement shall be made from the State Mandates Claims  
15 Fund.

